

## Hedge Funds Bounce Back in July to Recover June Losses

### Hedge fund returns of 1.64% in July help retrieve 1.63% loss in June

Preqin data reveals that hedge funds recovered from negative performance in June, with encouraging July performance across almost all benchmarks. July returns of 1.64% represent the best month for hedge funds since January and strong returns have wiped out the losses incurred in June, taking year-to-date returns to 5.39%.

Most single-manager strategy benchmarks produced positive returns in July, with event driven and long/short funds leading the way with returns of 2.06% and 2.05% respectively. North America was the best performing region during the month, posting returns of 2.73%.

#### Other Key Facts:

- CTAs continue to struggle, posting negative returns (-0.75%) for the third consecutive month.
- Event driven remains the best performing strategy category in 2013, with further positive returns of 2.06% in July, taking the strategy to year-to-date returns of 9.06%.
- Funds of hedge funds continue to exhibit dampened returns compared to the overall hedge fund benchmark with 0.86% returns in July. Long/short funds of hedge funds returned 1.70%.
- Long/short UCITS hedge funds had an impressive July, outperforming the overall long/short benchmark with returns of 2.50%. The overall UCITS index fell narrowly short of the overall hedge fund benchmark with monthly returns of 1.52%.
- North America was the best performing regional benchmark in July (+2.73%) followed by Europe (+1.90%), with both regions outperforming Asia-Pacific (+1.81%) for the third consecutive month.
- 70% of investors believe that the cumulative hedge fund returns for 2013 will be between 7-10%. The most common estimate of cumulative hedge fund returns for 2013 among investors was 9-10%, with 37% of investors expecting returns in this range.
- The majority of investors (56%) expect North America to be the best performing region in 2013.

**For more information, please see the attached benchmarks.**

#### Comment:

“Hedge funds posted positive returns across all regions and strategies in July to provide a boost to the industry following negative June returns, which ended hedge funds’ 12 month positive returns streak. Event driven hedge funds continue to lead the way with 2.06% July returns taking year-to-date returns to 9.06%, whilst long/short funds also had an impressive July with returns of 2.05%. North America has overtaken Asia-Pacific as the best performing region in 2013, topping the regional July performance with returns of 2.73%, bringing North America fund performance to 9.53% YTD versus 9.20% in Asia-Pacific. Investors have picked up on this strong run and are predicting North American funds will perform the best over 2013. All other benchmarks delivered positive returns in July, except for CTAs, which recorded negative performance for the third consecutive month.”

#### Amy Bensted, Head of Hedge Funds Products

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#### Note to Editors:

- Preqin is spelled without the letter ‘U’ after the ‘Q’, the company name being an amalgamation of the former name, Private Equity Intelligence.

#### About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.



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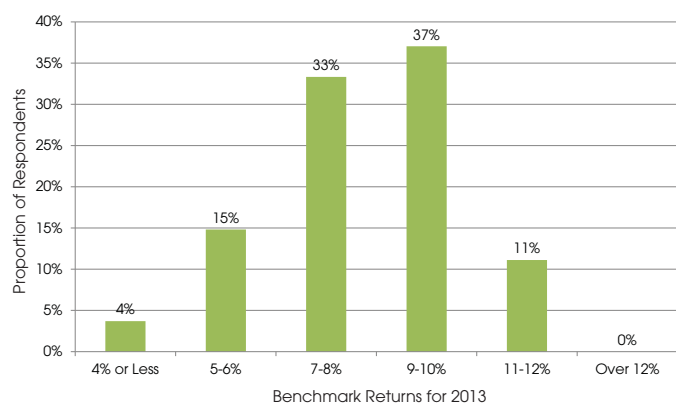
# Preqin Performance Benchmarks: July 2013

Fig.1: Summary of Preliminary July 2013 Performance Benchmarks (Net Return, %)

	July	June	Year To Date	Last 12 Months
<b>Hedge Funds (All Strategies &amp; Regions)</b>	<b>1.64</b>	<b>-1.63</b>	<b>5.39</b>	<b>11.05</b>
Long/Short	2.05	-2.04	6.24	12.69
Event Driven Strategies	2.06	-0.83	9.06	18.09
Relative Value	0.96	-0.64	4.58	7.20
Macro Strategies	0.60	-1.56	0.35	3.18
Multi-Strategy	1.50	-0.96	3.85	9.13
North America	2.73	-0.77	9.53	15.67
Europe	1.90	-1.11	6.28	11.94
Asia-Pacific	1.81	-2.21	9.20	18.32
Emerging Markets	0.92	-3.37	1.19	8.80
USD	1.78	-1.69	6.14	12.36
EUR	1.24	-1.25	3.79	7.02
GBP	0.13	-0.31	18.77	26.14
AUD	-0.45	-0.88	1.14	3.45
BRL	1.07	-1.75	1.38	6.50
<b>Funds of Hedge Funds (All Strategies &amp; Regions)</b>	<b>0.86</b>	<b>-1.61</b>	<b>3.84</b>	<b>6.93</b>
Multi-Strategy	0.56	-1.32	3.66	6.31
USD	0.92	-1.67	3.92	7.37
EUR	0.79	-2.05	2.82	4.99
<b>UCITS Hedge Funds (All Strategies &amp; Regions)</b>	<b>1.52</b>	<b>-2.10</b>	<b>2.88</b>	<b>6.29</b>
USD	1.12	-2.59	2.01	6.34
EUR	1.41	-1.93	3.25	5.58
<b>CTAs (All Strategies &amp; Regions)</b>	<b>-0.75</b>	<b>-1.62</b>	<b>-2.24</b>	<b>-5.19</b>
USD	-0.66	-1.47	-2.28	-5.54
EUR	-0.89	-2.59	-4.07	-8.68

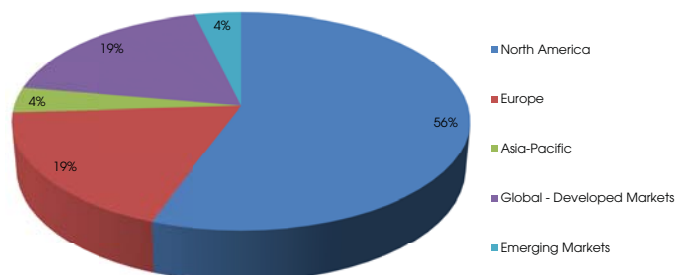
Source: Preqin Hedge Fund Analyst

Fig. 2: Investor Predictions for Benchmark Returns for Hedge Funds in 2013



Source: Preqin Investor Interviews, August 2013

Fig. 3: Investor Predictions for Which Regions Will Perform the Best in 2013



Source: Preqin Investor Interviews, August 2013

Please note, performance information includes preliminary data for July 2013 based on net returns reported to Preqin in early August 2013. Final benchmark values are subject to change.